Saskatchewan
Learning

Saskatchewan
Teachers' Superannuation
Commission

2001 - 2002
ANNUAL REPORT

Superannuation

Group Life Insurance

Dental

103-01163

2001-02 Annual Report

The Saskatchewan Teachers' Superannuation Commission
Room 226, 3085 Albert Street
Regina, Saskatchewan S4P 3V7

submits the:

Seventy-second Annual Report with respect to
The Teachers Superannuation and Disability Benefits Act for the Year Ended June 30, 2002,

Forty-second Annual Report with respect to
The Teachers' Life Insurance (Government Contributory) Act Chapter T-8, R.S.S. 1978
for the Year Ended August 31, 2002, and

Seventeeth Annual Report with respect to
The Teachers' Dental Plan Act
for the Year Ended December 31, 2001

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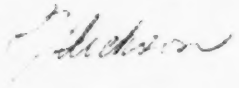
LETTER OF TRANSMITTAL

The Honourable Jim Melenchuk
Minister in Charge,
Teachers' Superannuation Commission
Regina, Saskatchewan

Sir:

The Teachers' Superannuation Commission has the honour to submit the annual report outlining activities under *The Teachers Superannuation and Disability Benefits Act* for the year ending June 30, 2002; *The Teachers' Life Insurance (Government Contributory) Act* for the period ending August 31, 2002 and *The Teachers' Dental Plan Act* for the period ending December 31, 2001.

Respectfully submitted,



P. J. Dickson (Mrs.)
Chairperson

TEACHERS' SUPERANNUATION COMMISSION

Mission Statement

The Commission strives to deliver teacher benefits to the highest professional standard, combining accurate and up-to-date information with personalized client service.

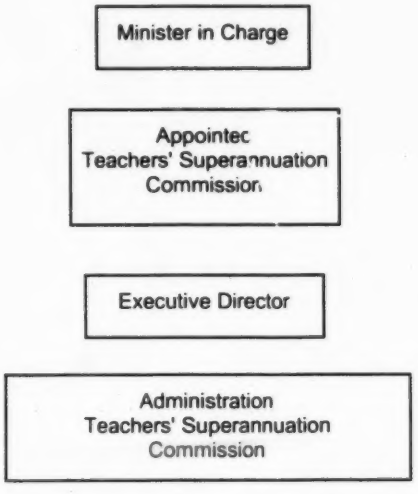
Objectives

The Teachers' Superannuation Commission, which consists of seven members appointed by the Lieutenant Governor in Council, is responsible to the Minister of Learning for the administration of *The Teachers Superannuation and Disability Benefits Act, The Teachers' Life Insurance (Government Contributory) Act, The Teachers' Dental Plan Act* and the Regulations to these Acts.

The primary responsibility of the Commission is to provide retirement and other benefits to teachers. The duties associated with this responsibility are:

- to provide information and advice to plan members;
- to collect pension contributions from all participating teachers;
- to provide retirement benefits to teachers and dependants of deceased teachers;
- to monitor the investment of the pension funds;
- to provide disability benefits to eligible teachers who are unable to continue teaching due to illness;
- to administer reciprocal transfer agreements with other jurisdictions;
- to keep appropriate financial records of the affairs of the Plan;
- to administer the Voluntary Contributions Fund;
- to administer the Teachers' Group Life Insurance Plan; and,
- to administer the Teachers' Dental Plan.

Organization



The Saskatchewan Teachers' Superannuation Commissioners acknowledge and appreciate the cooperation and assistance of the staff of the Teachers' Superannuation Commission, the Saskatchewan Teachers' Federation, the school boards and regional colleges, and the administrative staff within government. The efforts of these individuals has resulted in another successful year for the Commission.

Commission Members

In accordance with Section 4 of *The Teachers Superannuation and Disability Benefits Act,* the Teachers' Superannuation Commission consists of three members nominated by the executive committee of the Saskatchewan Teachers' Federation, three members nominated by the Minister of Learning and a chairperson nominated by these six members. All appointments are made by the Lieutenant Governor in Council for a term of five years.

Appointed Commission members include:

Chairperson:
P. J. Dickson (Mrs.)

Nominated by the Minister of Learning:
Don Trew, Executive Director
Corporate Services
Saskatchewan Learning

J. Michael Littlewood PhD., Executive Director
Legislation and School Administration
Saskatchewan Learning

Brian Smith, Executive Director
Public Employees Benefits Agency
Saskatchewan Finance

Nominated by the Saskatchewan Teachers' Federation:
Shirley Humphries PhD., Executive Assistant
Saskatchewan Teachers' Federation

Tony Linner, Executive Assistant
Saskatchewan Teachers' Federation

Lyle Vinish, Assistant General Secretary
Saskatchewan Teachers' Federation

Administration

Administration for the Teachers' Superannuation Commission is comprised of 15 members involved in processing pensions, disability benefits, payroll; tracking pension contributions and investments; and providing counselling and various administrative functions for members of the Plan. In addition, the staff are responsible for the Disability Benefits Plan, Teachers' Group Life Insurance Plan and the Teachers' Dental Plan.

The Teachers' Superannuation Commission prepares estimates for annual retirement planning sessions facilitated by the Saskatchewan Teachers' Federation. In this way, staff of the Teachers' Superannuation Commission and the Saskatchewan Teachers' Federation work together to ensure the teachers of Saskatchewan are well represented and informed through group and one-on-one counselling sessions.

The $1.5 million operating budget of the Commission is paid out of moneys appropriated by the Legislature.

Consultants

Actuarial consulting firms assist with the development of the investment policy guidelines, propose assumptions and perform the calculations of benefits for marriage breakdown and commuted value payments, and actuarial present value calculations for the purpose of portability agreements. Actuarial services are also required in preparing a valuation of the Plan and for cash flow projections.

Whenever required, legal consultation is provided by either the Department of Justice or private legal counsel. Legal advice provided to the Commission ensures all legal obligations are fulfilled.

The Plans' assets are measured by a third party. Reports are provided to the Commission for monitoring the performance of the Investment Manager.

Accomplishments for 2001-02

Teachers' Superannuation Plan

- Investment earnings allocated to teachers in the Teachers' Superannuation Fund were 5.26 per cent. The investment earnings allocated to members in the Voluntary Contributions Fund were 3.65 per cent.
- On January 1, 2002 a cost of living increase of 2.4 per cent was applied to all pension allowances and disability benefits.
- In the last year 4,540 pension estimates have been issued to teachers. These pension estimates are valuable tools for retirement planning.
- Approximately 7,400 teachers received Annual Statements which provided them with retirement options and projections as at June 30, 2001.
- In the last year, 43 calculations for marriage breakdowns were prepared; only 7 were used for property settlements resulting in $.89 million being transferred out of the Plan.
- In 2001-02,8 commuted value transfers of locked-in contributions and interest were processed totalling $.91 million.

Teachers' Group Life Insurance Plan

- The 2001-02 annual premium was $222.60 which provided $121,000 for term life insurance plus accidental death and dismemberment coverage.
- The premiums paid to the insurance carrier totalled $4.0 million of which $1.5 million was matched contributions provided by the Minister of Finance.
- The total insurance for all eligible Saskatchewan teachers was $2.05 billion.

Volume of Transactions

	2001-02	2000-01
Teachers' Superannuation Plan		
Purchases, repayments and reciprocal transfers in	270	286
Termination refunds and reciprocal transfers to other pension plans	278	279
Allowances in payment to superannuates, survivors and dependants	9,381	9,114
Disabled teachers in receipt of benefits	420	424
Deaths	418	388
T4A's issued for purchases, refunds, pensions, pension adjustments, and taxable benefit	25,025	24,776
Teachers' Group Life Insurance Plan		
Insurance participants	18,299	17,912
Insurance death claims paid	30	40
	2001	2000
Teachers' Dental Plan		
Dental claims processed	49,540	45,640

TEACHERS' SUPERANNUATION PLAN

History

Legislation was introduced July 1, 1930 to inaugurate a superannuation plan for teachers in Saskatchewan. The plan provisions under the original *Teachers' Superannuation Act* have been significantly amended since then.

- A major milestone was in 1974 when the Teachers' Superannuation Plan became a negotiable matter as a mandatory item under *The Teacher Collective Bargaining Act, 1973*. As a negotiable item, any amendments to the Plan must first be included in a provincial bargaining agreement.

- In 1980, the Government began to address the growing unfunded liability of the Plan. In that year, the Teachers' Annuity Plan was established for those new teachers who had not previously taught in Saskatchewan, and for certain teachers who chose to transfer from the old formula plan. The Government also began to match the pension contributions of teachers.

- Effective July 1, 1984, teachers became eligible for a pension with 30 years of service, regardless of age. This has proved to be a popular retirement provision.

- Recognition for part-time service was introduced on July 1, 1990. Teachers are allocated a full month of eligibility service for each month they are employed under a part-time contract. The pension allowance is calculated utilizing the equivalent full-time salary rate.

- The assets and liabilities of the Teachers' Annuity Plan were transferred to the Saskatchewan Teachers' Federation on July 1, 1991. It is now a defined benefit plan known as the Saskatchewan Teachers Retirement Plan.

- The 1992-1994 Collective Bargaining Agreement introduced changes to the Plan, including:
  - the teacher accounts would be allotted all investment earnings of the Fund;
  - a statement of what monies constitute the Teachers' Superannuation Fund, and how monies can be withdrawn from the Fund; and,
  - provision for commuted value transfers and marriage breakdown payments.

- In November, 1995 the first 'Small Benefit Payout' was issued. A small benefit commuted value is paid in lieu of an allowance when the annual allowance is less than 2% of the Canada Pension Plan yearly maximum pensionable earnings for the year of retirement.

- In January, 1996 the Commission prepared and mailed to its members, their first Annual Statement. It provided a summary of their service record, as well as projections on what retirement income they could expect to receive from the Plan if they either terminated immediately or continued to teach at the current rate.

- A customized in-house payroll system was developed and implemented in October, 1998. It results in substantial savings in administration costs for the Commission.

- Significant changes introduced in the 1997-1999 Collective Bargaining Agreement include:
  - the purchase of up to one year of service for a deferred salary leave; and,
  - teaching to a maximum of 120 days in a school year during the first year after retirement and 60 days for subsequent years without penalty.

- In May, 2001 an actuarial based reciprocal transfer agreement was signed with all provincial teacher pension plans, with the

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exception of Newfoundland and British Columbia. This replaces the 1978 transfer agreement, as well as the June 1997 agreement.

- In July, 2001 the maximum allowable days for a superannuate to return to teach without a penalty was removed.

- January 1, 2002, British Columbia signed the actuarial based reciprocal transfer agreement.

Membership

The Teachers' Superannuation Plan has been closed since July 1, 1980. Most teachers who began teaching prior to July 1, 1980, are participants in the Teachers' Superannuation Plan, unless an option was exercised to transfer to an annuity plan formerly operated by the Teachers' Superannuation Commission.

Participants in the Teachers' Superannuation Plan

Year Ended June 30	2002	2001
Active Members	4,838	5,269
Inactive Members	5,018	5,325
Pensioners/Survivors	9,127	8,844
Disabilities	387	379
July 1 Retirements*	297	304
Total Members	19,667	20,121

* Known retirements effective July 1.

All teachers who commenced teaching after June 30, 1980 became members of the Annuity Plan.

Services

The Teachers' Superannuation Plan provides lifetime retirement benefits for teachers and their survivors and dependents. The services provided by the Plan are as follows.

Age and Service Allowance

The Plan calculates an age and service allowance as 2.0 per cent of the average of the five highest years salary times years of service to a maximum of 35 years subject to Revenue Canada maximums.

This pension is reduced at age 65 for CPP integration and is increased each January 1 by 80% of the increase in the Consumer Price Index.

Death Benefits

The Plan's death benefit, for a pensioned teacher or an active teacher with eight or more years of service, provides a spouse with 60% of the regular allowance plus a further 10% for each dependent child to a maximum of 25%. An active teacher's spouse or dependants have the option of taking a refund of the teacher contributions and interest rather than an allowance.

An active teacher with less than eight years of service would have a refund of contributions and interest payable to the dependant, nominee or estate. The dependant has the option to take a deferred survivor allowance.

Termination

When a teacher with more than 20 days of service terminates, contributions and interest are refundable, however, certain lock-in provisions will apply depending upon age and years of consecutive service.

Purchase of Contributory Service

Within certain restrictions, contributory service may be purchased if a teacher:

- took a sabbatical leave;
- was a study supervisor prior to teaching;
- was absent for maternity, adoption or parenting;
- attended university;
- taught out of province;
- taught in a Band controlled school;
- taught at an approved technical institute;
- taught for CUSO, CIDA, etc;
- taught with NORTEP, University of Regina or University of Saskatchewan;
- was employed by the Department of Learning;
- provided military duty;
- took a 'Deferred Salary Leave'.

As well, a teacher may reinstate refunded service and transfer service under various reciprocal

exception of Newfoundland and British Columbia. This replaces the 1978 transfer agreement, as well as the June 1997 agreement.

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- was employed by the Department of Learning;
- provided military duty;
- took a 'Deferred Salary Leave'.

As well, a teacher may reinstate refunded service and transfer service under various reciprocal

agreements. The purchase of contributory service follows stringent rules which are detailed in *The Teachers Superannuation and Disability Benefits Act*.

Marriage Breakdown

Effective January 1, 1992, *The Teachers Superannuation and Disability Benefits Act* was changed to allow for payments out of the Fund for the division of matrimonial property pursuant to *The Family Property Act*.

Where the member is not yet receiving a pension, the value of the division is calculated using the termination method. A lump sum of up to 50% of the commuted value may be transferred to a locked-in RRSP for the ex-spouse.

For a member in receipt of an allowance, up to 50% of the value of future allowance payments may be transferred to an RRSP for the ex-spouse. The allowance paid to the member is reduced to reflect the amount of the transfer.

Commuted Value Transfers

The Plan requires the lock-in of contributions and interest when a member has ten or more consecutive years of service. Effective July 1, 1993, the commuted value of the locked-in deferred allowance may be transferred to a locked-in RRSP.

Effective July 1, 1998, a commuted value transfer is permitted after four months during which no contributions have been made and assuming the teacher is not eligible for a pension. The transfer is subject to a minimum of teacher contributions and interest.

If a member elects a commuted value transfer, the member has no further rights or entitlement under the Teachers' Superannuation Plan and has no right of re-instatement under any provision of *The Teachers Superannuation and Disability Benefits Act*.

Pensions

The allowance payable to a teacher who retires under the Teachers' Superannuation Plan is determined by applying a formula based on years of service and highest salaries earned during any five years of service.

Allowances in 2001-02 totalled $216.6 million and were paid to 8,277 pensioners, 1,104 survivors and dependants and 420 disability recipients. From July 1, 2001 to June 30, 2002 a total of 555 new allowances were granted and 262 allowances ceased due to death or discontinued benefits.

New Allowances

	2001-02	2000-01
Retirements	450	467
Disability benefits	**41**	**56**
Survivor and Dependent benefits	64	74
Total	**555**	**597**

Small Benefit Payout

Effective July 1, 1990, *The Teachers Superannuation and Disability Benefits Act* was amended to allow a member, with a minimum of one year of eligibility service, to receive a benefit from the Plan at age 65. Many of the members able to take advantage of this new clause took a refund prior to April 1, 1963. Until that time, upon taking a refund a member was required to forfeit two years of service for which contributions had been made. As the majority of these benefits are small, the Commission provides the member with a one-time commuted value payment in lieu of a monthly allowance.

In 2001-02, the Commission calculated and awarded payments of $1.2 million.

Recipients of a Small Benefit Payout

Amount of Payout	No. of Teachers
Less than - $3,000	24
$3,000 - $5,000	97
Over $5,000	111
Total	232

Reciprocal Transfer Agreements

The Teachers' Superannuation Commission may enter into reciprocal pension transfer agreements with other teacher employer groups and with public sector employer groups. Agreements were in effect on June 30, 2002 between the Saskatchewan Teachers' Superannuation Commission and the following pension jurisdictions:

- provincial teacher pension authorities in:
  - British Columbia;
  - Alberta;
  - Manitoba;
  - Ontario;
  - Quebec;
  - New Brunswick;
  - Prince Edward Island;
  - Nova Scotia; and,
  - Newfoundland and Labrador.
- Province of Saskatchewan Public Service Superannuation Board and the Public Employees Pension Plan;
- Crown Investment Corporation of Saskatchewan;
- University of Saskatchewan;
- University of Regina;
- Board of Trustees of the Evangelical Lutheran Church of Canada; and
- Board of Trustees of the Western Christian College.

Voluntary Contributions Plan

Effective December 13, 1985, a Voluntary Contributions Fund was established which allows active teachers to make additional tax deductible contributions. These funds are invested separately from the mandatory superannuation contributions.

All Fund earnings are allocated to the teacher contributors. Voluntary contributions have no effect on the level of superannuation benefits to which a teacher may be entitled as a participant in the Teachers' Superannuation Plan. Contributions made to the Plan are used in the calculation of available RRSP room.

Teachers who cease teaching or are eligible for a retirement allowance are eligible for a refund of the voluntary contributions and interest. All monies must be removed by the end of the year in which the teacher turns 69.

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TEACHERS' DISABILITY BENEFITS PLAN

Disability benefits are available when a teacher is physically or mentally incapacitated and unable to teach. All payments are a charge on and payable from the General Revenue Fund of the Province of Saskatchewan, as stated in Section 38(2) of *The Teachers Superannuation and Disability Benefits Act.*

Eligibility

The Plan provides benefits based on a formula incorporating years of service and average earnings. To be eligible, a teacher must have 10 years of eligibility service of which three years are in the five years immediately preceding the disability date, be under the age of 65 and the disability continues beyond 60 days. The disability payment commences when the sick leave benefits from a school board cease.

Medical evidence is required from two physicians verifying the disability. Ongoing eligibility for benefits is confirmed by periodic medical reviews.

Teachers who are partially disabled and teaching on a part-time basis are entitled to benefits in proportion to the non-teaching time.

At age 65, a disability recipient is considered eligible for an age and service allowance and the benefit is recalculated to include any periods where the teacher was receiving a benefit from the Saskatchewan Teachers' Federation, Income Continuance Plan.

Teachers are also encouraged to apply for benefits from the Canada Pension Plan. If benefits are payable from that Plan, the amount payable by the Teachers' Superannuation Commission is reduced accordingly.

Disability Recipients

Teachers receiving a Disability payment at June 30, 2001	379
New recipients	**41**
Transferred to Age and Service Allowance	17
Deaths	**5**
Disability Discontinued	11
Teachers receiving a Disability payment at June 30, 2002	**387**

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Eligibility

The Plan provides benefits based on a formula incorporating years of service and average earnings. To be eligible, a teacher must have 10 years of eligibility service of which three years are in the five years immediately preceding the disability date, be under the age of 65 and the disability continues beyond 60 days. The disability payment commences when the sick leave benefits from a school board cease.

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INVESTMENTS

The assets of the Teachers' Superannuation Fund and Voluntary Contributions Fund are held in trust by Royal Trust. Greystone Capital Management Inc. is responsible for investing the funds.

The Teachers' Superannuation Commission with the assistance of the investment manager and actuarial consultant develop investment policies, strategies and objectives for each plan. This document includes a benchmark portfolio against which the performance of the investment manager is measured.

The Teachers' Superannuation Commission sets short term and long term objectives for the investment of the Fund assets. This is achieved through active management of assets. The fund manager strives to achieve a total fund rate of return 10 per cent greater than the specified benchmark portfolio.

Both Funds have a short term objective to achieve a total fund return in three out of four years of 1.0% above the 91-day T-Bill return.

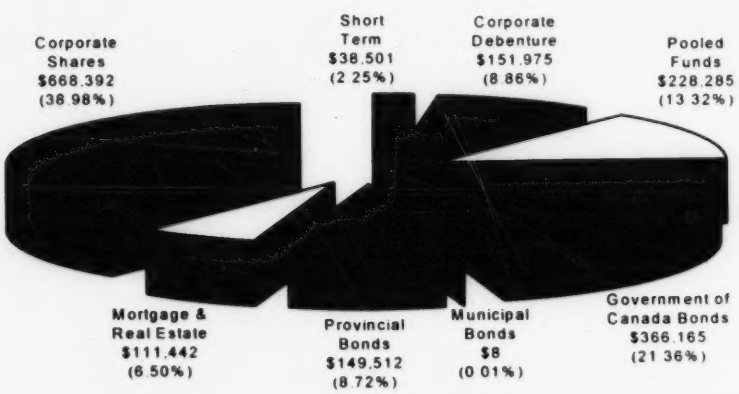
Teachers' Superannuation Fund

The long term objective is to achieve a total annual fund rate of return equal to the Consumer Price Index for Canada plus an additional 4.0 per cent. The total fund rate of return should also be in excess of the long term economic assumptions for funding the Plan.

The assets are managed within these limits:

	Minimum %	Maximum %
Canadian Equities	20	50
Foreign Equities	0	30
Bonds	30	60
Real Estate	0	7
Short Term	0	10
Mortgages	0	5

Teachers' Superannuation Fund - $1,714,280 ($000)


Corporate Shares $668,392 (38.98%)
Short Term $38,501 (2.25%)
Corporate Debenture $151,975 (8.86%)
Pooled Funds $228,285 (13.32%)
Mortgage & Real Estate $111,442 (6.50%)
Provincial Bonds $149,512 (8.72%)
Municipal Bonds $8 (0.01%)
Government of Canada Bonds $366,165 (21.36%)

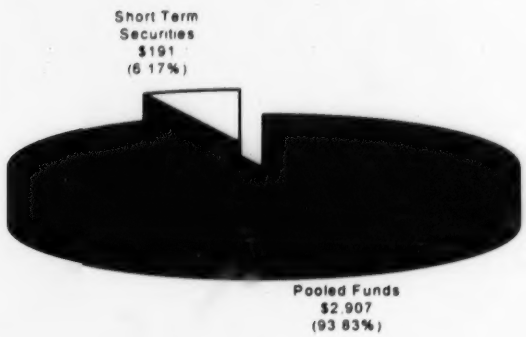
Voluntary Contributions Fund

The long term objective is to achieve a total annual fund rate of return equal to the Consumer Price Index for Canada plus an additional 2.0 per cent.

The assets are managed within these limits:

	Minimum %	Maximum %
Canadian Equities	10	50
Foreign Equities	0	20
Bonds	30	65
Short Term	0	20

Voluntary Contributions Fund - $3,098 ($000)



CASH FLOW FORECAST

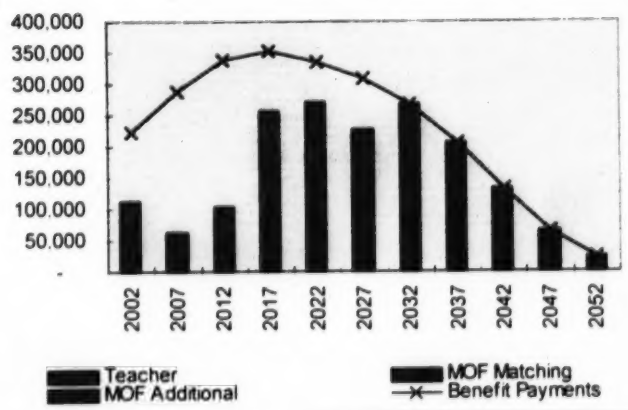
Minister of Finance Obligation

The following charts illustrate the projected future funding required from the Minister of Finance.

As illustrated in the table and charts, the Minister of Finance contributions will peak during the period 2018 to 2021. In constant 2001dollars, Minister of Finance contributions will peak 2017 to 2020. This is based on the valuation done at June 30, 2001.

Teachers' Superannuation and Disability Benefits Plan

Contribution vs Benefit Payment - **Actual Dollars**

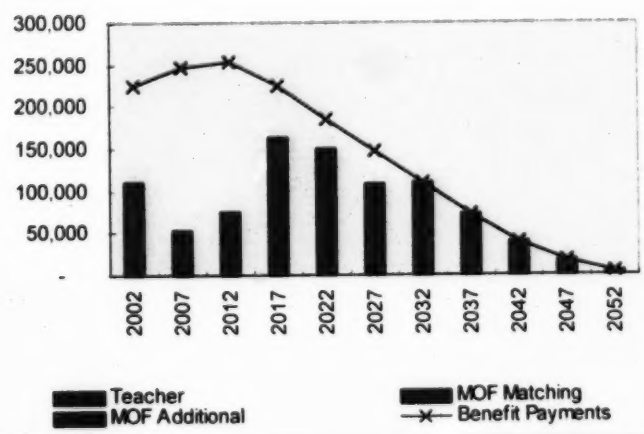


Contributions from Minister of Finance (000's)

Year	Actual Dollars
2001-2002	$93,669
2006-2007	51,211
2011-2012	100,322
2016-2017	254,500
2021-2022	271,497
2026-2027	227,236
2031-2032	268,796
2036-2037	206,504
2041-2042	132,352

Teachers' Superannuation and Disability Benefit Plan

Contributions vs Benefit Payments - **Constant 2001 Dollars**



Year	Constant 2001 Dollars
2001-2002	$93,669
2006-2007	44,175
2011-2012	74,649
2016-2017	163,354
2021-2022	150,321
2026-2027	108,529
2031-2032	110,740
2036-2037	73,388
2041-2042	40,573

Additional cash flow information is shown in the Notes to The Financial Statements - Note #11

TEACHERS' GROUP LIFE INSURANCE PLAN

Program

Legislation was introduced September 1, 1960 to provide group life insurance coverage for Saskatchewan teachers. The amount of insurance coverage and the plan provisions have been considerably increased since its inception. In 1974, group life insurance became a mandatory negotiable item under *The Teacher Collective Bargaining Act, 1973* and continues as such pursuant to Section 237 of *The Education Act*. As a negotiable item, any amendments to the Teachers' Group Life Insurance Plan occur only as a result of a provincial collective bargaining agreement.

Coverage is available for:

- active teachers;
- teachers absent from work for educational reasons;
- teachers absent from work due to ill health;
- teachers absent from teaching in Saskatchewan to serve as an exchange or special teacher; and,
- superannuated teachers to age 75 unless they opt not to participate.

Coverage is also extended to certain other school board officials such as secretary-treasurers.

The insurance coverage includes an amount for accidental death and dismemberment equal to and in addition to the amount of ordinary life insurance in effect.

Superannuated teachers, age 65 to 75, have an option to maintain coverage for $14,600 on term life insurance only.

Effective January 1, 1992, a retired secretary-treasurer granted an allowance or an annuity on the grounds of age and service under the Municipal Employees' Pension Plan has the option to continue insurance coverage under the Teachers' Group Life Insurance Plan.

Administration

With the authorization of the Lieutenant Governor in Council and with the approval of the Saskatchewan Teachers' Federation, the Minister of Finance currently has an agreement with Clarica Life Insurance Company to underwrite the Teachers' Group Life Insurance Plan.

The Teachers' Superannuation Commission is responsible for administering the underwriting contract. This includes the collection and subsequent payment of premiums to the contracted life insurance company. The Minister of Finance is responsible for payment of 50 per cent of the premium required to provide each teacher the coverage as set out in the Provincial Collective Bargaining Agreement. Superannuated teachers and individuals employed within the category of secretary-treasurer are responsible for 100 per cent of the required premiums.

In 2001-02 coverage was provided for 18,299 participants.

- 13,810 teachers;
- 4,303 superannuated teachers; and,
- 93 others.

The Teachers' Life Insurance (Government Contributory) Act

Chapter T-8, R.S.S. 1978

For the years ended August 31	**2002**	**2001**
Number of insured teachers	18,299	17,912
Total amount of insurance in force	$ 2,054,888,400	$ 1,994,687,800
Premiums Paid:		
Minister of Finance	1,506,530	1,423,301
Teachers	2,481,384	2,302,785
Total Premiums Paid	$ 3,987,914	$ 3,726,086
Number of Death Claims	30	40
Amount for Death Claims	$ 2,651,400	$ 2,923,600
Number of New Disability Claims	-	1
Amount for Disability Claims	286,514	339,686
Sums paid for the conversion of insurance *	13,875	24,050
The insurance company operating costs (1)	164,616	162,875
Total	$ 871,509	$ 275,875

1. Represents

(a) Premium tax	$	83,302
(b) Administration and Risk		64,431
(c) Claim expenses		4,603
(d) Interest on death claims/ cash flow		12,280
Total	$	164,616

* On termination of insurance coverage, a teacher may purchase life insurance directly from the insurance company up to and including age 65 without evidence of insurability.

TEACHERS' DENTAL PLAN

Program

A dental plan was implemented effective January 1, 1986 for Saskatchewan teachers in accordance with the 1985-86 Provincial Collective Bargaining Agreement between the Boards of Education, the Government of Saskatchewan and the teachers of Saskatchewan. The Teachers' Dental Plan covers preventive, routine and major dental services for:

- teachers employed on a regular contract by a Board of Education or on a temporary contract requiring 20 occasions of teaching;
- teachers receiving disability benefits;
- dependants of eligible teachers under age 21; and,
- dependant students under age 26 who are enrolled full-time in an educational institution.

The Plan reimburses teachers a percentage of the eligible dental charges issued in the fee schedules of the College of Dental Surgeons of Saskatchewan and the Denturist Society of Saskatchewan.

Administration

The Minister of Finance, on behalf of the Government of Saskatchewan, is responsible for all the costs associated with the Teachers' Dental Plan.

The Government of Saskatchewan and the Saskatchewan Teachers' Federation have agreed to contract Clarica Life Insurance Company for payment of benefits as provided by the Plan.

May 1, 1996 the dental plan was streamlined to allow teachers to submit dental claim forms directly to the insurance carrier and minimize processing time. The Teachers' Superannuation Commission maintains and updates teacher records on-line with the insurance carrier. This process usually provides teachers with reimbursement within 5 days from receipt of the claim.

As well, dental offices are able to submit dental claims electronically to the insurance carrier. This initiative eliminates lost claims and further reduces delays in processing time.

Other benefits derived from this initiative include the establishment of a 1-800 inquiry line with the insurance carrier and reduced administrative costs of the dental plan.

The 1997-1999 Collective Bargaining Agreement provided enhancements to the dental plan. These enhancements included an increase in the reimbursement levels, eliminating the yearly maximums, the addition of 335 procedures and orthodontic coverage for dependent children.

The following volumes were experienced.

	2001	2000
Total claims processed [1]	49,543	45,640
Cost to Government	$6,984,129	$6,134,836

[1] The claims processed has been adjusted to include claims submitted electronically to the insurance carrier.

TEACHERS' SUPERANNUATION COMMISSION MANAGEMENT REPORT, 2002

The management of the Teachers' Superannuation Commission is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. In Canada, it is the responsibility of management to prepare financial statements in accordance with Canadian generally accepted accounting principles.

The integrity of the financial records from which these financial statements are prepared is largely dependent on the systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are executed in accordance with proper authorization, transactions are appropriately recorded in order to permit preparation of financial statements and assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived therefrom.

The financial statements have been audited by the Provincial Auditor of Saskatchewan. The report to the Members of the Legislative Assembly, stating the scope of the examination and opinions on the financial statements, appears on the following page.

The financial statements have been examined and approved by the Commission.

John McLaughlin
Executive Director

Norma Knuth
Accountant

Regina, Saskatchewan
August 30, 2002

ACTUARIES' OPINION

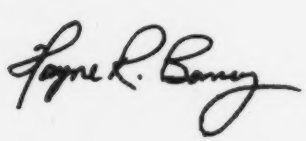
Aon Consulting Inc. was retained by the Saskatchewan Teacher's Superannuation Commission (the "Commission") to perform actuarial valuations of the assets and liabilities of the Saskatchewan Teachers' Superannuation Plan and the Saskatchewan Teachers' Disability Benefits Plan (the "Plans") on an accounting basis as at June 30, 2001. Aon Consulting Inc. was further retained to prepare extrapolations of the valuation results to June 30, 2002 for inclusion in the Annual Report with respect to *The Teachers Superannuation and Disability Benefits Act* for the Year Ended June 30, 2002.

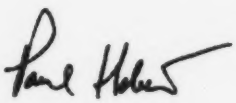
The valuation and extrapolation of the Plans' actuarial assets and liabilities were based on:

- Membership and asset data provided by the Commission as at June 30, 2001;
- Methods prescribed by the Canadian Institute of Chartered Accountants for pension plan financial statements; and
- Assumptions about future events (economic and demographic) which were developed by management and Aon Consulting Inc. and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate liabilities for the Plans' financial statements contained in the Annual Report represent management's best estimate of future events, and while in our opinion these assumptions are reasonable, the Plans' future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations, and will affect the financial position of the Plans.

We have tested the data for reasonableness and consistency with prior valuations and in our opinion the data is sufficient and reliable for the purposes of the valuation and the extrapolation. We also believe that the methods employed in the valuation and extrapolation and the assumptions used are, in aggregate, appropriate. Our opinions have been given, and our valuation and extrapolation have been performed in accordance with accepted actuarial practice.





Wayne R. Berney
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

Paul Hebert
Associate, Society of Actuaries

August 30, 2002

AUDITOR'S REPORT TO THE MEMBERS OF THE LEGISLATIVE ASSEMBLY

I have audited the statement of net assets available for benefits and accrued pension benefits and unfunded liability of the Teachers' Superannuation Plan as at June 30, 2002, and the statements of changes in net assets available for benefits and changes in accrued pension benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits and accrued pension benefits and unfunded liability of the Plan as at June 30, 2002 and the changes in the net assets available for benefits and changes in accrued pension benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
August 30, 2002

Fred Wendel, CMA,CA
Provincial Auditor

Statement 1
Teachers' Superannuation Plan
Statement of Net Assets Available for Benefits and Accrued Pension Benefits and Unfunded Liability
As at June 30

	2002			2001		
	Superannuation Fund ($000)	Voluntary Contributions Fund ($000)	Total ($000)	Superannuation Fund ($000)	Voluntary Contributions Fund ($000)	Total ($000)
ASSETS						
Due from General Revenue Fund (Note 9)	$ 408	$ 5	$ 413	$ 359	$ 41	$ 400
Accrued investment income	8,189	–	8,189	10,259	1	10,260
Investments (Note 3):						
Bonds and debentures	667,660	–	667,660	671,928	–	671,928
Short term	38,501	191	38,692	48,145	309	48,454
Equities	668,392	–	668,392	850,020	–	850,020
Pooled Funds	228,285	2,907	231,192	181,887	2,802	184,689
Mortgages	3,711	–	3,711	3,883	–	3,883
Real estate	107,731	–	107,731	91,722	–	91,722
	1,722,877	3,103	1,725,980	1,858,203	3,153	1,861,356
Contributions receivable:						
- Teachers'	1,750	–	1,750	1,816	–	1,816
- Government	8,331	–	8,331	8,896	–	8,896
	10,081	–	10,081	10,712	–	10,712
Total assets	$ 1,732,958	$ 3,103	$1,736,061	$ 1,868,915	$ 3,153	$1,872,068
LIABILITIES						
Accounts payable	$ 375	$ 1	$ 376	$ 243	$ 2	$ 245
Total liabilities	$ 375	$ 1	$ 376	$ 243	$ 2	$ 245
Net assets available for benefits	$ 1,732,583	$ 3,102	$1,735,685	$ 1,868,672	$ 3,151	$1,871,823
Actuarial asset value adjustment	$ 64,776	$ –	$ 64,776	$ (267,673)	$ –	$(267,673)
Actuarial value of net assets available for benefits	$ 1,797,359	$ 3,102	$1,800,461	$ 1,600,999	$ 3,151	$1,604,150
Actuarial accrued pension benefits (Statement 3)	3,621,000	3,102	3,624,102	3,558,000	3,151	3,561,151
Unfunded Liability	$ 1,823,641	$ –	$1,823,641	$ 1,957,001	$ –	$1,957,001

(See accompanying notes to the financial statements)

Statement 2
Teachers' Superannuation Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended June 30

	2002			2001		
	Superannuation Fund ($000)	Voluntary Contributions Fund ($000)	Total ($000)	Superannuation Fund ($000)	Voluntary Contributions Fund ($000)	Total ($000)
INCREASE IN ASSETS:						
Investment income:						
Interest	$ 50,390	$ 114	$ 50,504	$ 58,120	$ 230	$ 58,350
Dividends	15,841	–	15,841	27,066	–	27,066
	66,231	114	66,345	85,186	230	85,416
Current period change in market values of investments	(53,736)	3	(53,733)	(71,369)	(154)	(71,523)
Contributions:						
- General Revenue Fund matching contributions	18,028	–	18,028	19,443	–	19,443
- General Revenue Fund other contributions	35,344	–	35,344	20,025	–	20,025
- Teachers'	18,129	166	18,295	19,552	226	19,778
Other transfers and contributions	2,414	–	2,414	3,574	–	3,574
	73,915	166	74,081	62,594	226	62,820
Total increase in assets	$ 86,410	$ 283	$ 86,693	$ 76,411	$ 302	$ 76,713
DECREASE IN ASSETS:						
Marriage breakdown payments	$ 891	$ –	$ 891	$ 1,164	$ —	$ 1,164
Allowance to superannuates	210,760	–	210,760	193,746	—	193,746
Refunds and transfers	8,415	326	8,741	8,414	198	8,612
Investment expenses (Note 6)	2,433	6	2,439	2,383	11	2,394
Total decrease in assets	222,499	332	222,831	205,707	209	205,916
Increase in net assets	$ (136,089)	$ (49)	$ (136,138)	$ (129,296)	$ 93	$ (129,203)
Net assets available for benefits, beginning of year	1,868,672	3,151	1,871,823	1,997,968	3,058	2,001,026
Net assets available for benefits, end of year	$ 1,732,583	$ 3,102	$1,735,685	$ 1,868,672	$ 3,151	$ 1,871,823

(See accompanying notes to the financial statements)

Statement 3
Teachers' Superannuation Plan
Statement of Changes in Accrued Pension Benefits
For the Year Ended June 30

	2002 Superannuation Fund (Note 7) ($000)	2001 Superannuation Fund ($000)
BEGINNING OF YEAR	$ 3,558,000	$ 3,470,000
INCREASE IN ACCRUED PENSION BENEFITS:		
Interest on accrued benefits	265,000	243,000
Benefits accrued	46,000	55,000
Impact of plan amendment	27,000	–
Impact of plan experience	91,000	–
	429,000	298,000
DECREASE IN ACCRUED PENSION BENEFITS:		
Benefits paid	228,000	210,000
Impact of assumption changes	138,000	–
	366,000	210,000
Accrued pension benefits, end of year	$ 3,621,000	$ 3,558,000

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan
Notes to the Financial Statements
For The Year Ended June 30, 2002

1. Status of the Commission

The Teachers' Superannuation Commission administers a pension plan, the Teachers' Superannuation Plan consisting of the Teachers' Superannuation Fund and the Voluntary Contributions Fund. The Teachers' Superannuation Fund is used to account for the net assets accumulated for a defined benefit final average pension plan for teachers who commenced service prior to July 1, 1980. The Voluntary Contributions Fund is a money purchase fund, used to account for the net assets accumulated for teachers' voluntary contributions.

Description of Plan

The following description is a summary only. For more complete information, reference should be made to *The Teachers Superannuation and Disability Benefits Act.*

Teachers' Superannuation Fund

a) Funding Policy

Members are required to contribute 6.05% of their salary subject to Canada Pension Plan contributions, and 7.85% on the remainder of their salary. The Department of Learning appropriation pays into the Teachers' Superannuation Fund (Fund) an amount equal to the amount contributed by members. Also, the Department pays the Superannuation Fund other contributions pursuant to subsection 9(4) of *The Teachers Superannuation and Disability Benefits Act.* Section 9(4) of the Act requires the Department to yearly pay an amount by which the allowances, transfers and refunds that are paid out in that fiscal year exceed the credited contributions of members with respect to whom an allowance commences or a refund or transfer is made in that fiscal year. These amounts do not include disability benefit payments.

b) Age and Service Allowance

The annual amount of pension is determined as follows:

- 2% of the five highest years salary times years of service (maximum 35 years)
- reduced at age 65 for Canada Pension Plan integration
- increased each January 1 by 80% of the increase in the Consumer Price Index

c) Interest Credited to Contributions

As of July 1, 1994, the interest credited to contributions is an annual rate determined by the Commission to be the annual rate of return earned from the investments of the Fund in a fiscal year, compounded annually. See Note 4 for determination of investment earnings.

d) Death Benefits

When a superannuate dies, the spouse receives 60% of the allowance plus a further 10% for each dependent child to a maximum of 25%. If there is no spouse or dependent children, the nominee or estate receives a

lump sum payment of the difference, if any, between the teachers' contributions and interest at retirement and the total pension paid to date.

e) Refunds

Refunds to teachers typically consist of the teacher's contributions and interest on those contributions.

Voluntary Contributions Fund

The Teachers' Superannuation Commission administers the Voluntary Contributions Fund. This Fund is continued under *The Teachers Superannuation and Disability Benefits Act*. The Voluntary Contributions Fund allows active teachers to make contributions into the Fund, according to the limits set out in *The Income Tax Act*.

The Voluntary Contributions Fund is credited with all voluntary contributions, any interest earned and any other revenue accrued from the investment of monies in the Voluntary Contributions Fund. This amount is reduced by amounts paid out of the Fund at the time the teacher makes an application for a refund. If eligible, the accumulated contributions and interest earned are paid to the teacher, the teacher's nominee or to the teacher's estate.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

a) Investments

Investments in bonds and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers or, in the absence of recorded sales, by reference to closing year end bid and ask prices. Transactions in bonds and equities are recorded as of the trade date.

Investments denominated in foreign currency are translated at the exchange rate in effect at year end. Investments and realized gains and/or losses are translated at the exchange rate in effect at the transaction date. Unrealized gains and losses resulting from exchange differences are included in the determination of the change in market value of investments.

Pooled funds are valued based on the quoted market price of the underlying investment; normally the current bid price.

Short-term investments are valued at cost which approximates market value.

Mortgages are recorded at fair value. Fair value is determined by discounting the present value of all income streams accruing to the mortgage. The discount rate applied to these income streams reflect the current market rate for comparable mortgages of a comparable term.

Real estate is recorded at fair value as estimated by independent appraisals.

The fair value of the investments approximates the market value.

b) Actuarial Asset Value Adjustment

The actuarial value of net assets available for benefits is determined by reference to market trends consistent with assumptions underlying the valuation of accrued pension benefits. The actuarial asset value adjustment represents the difference between the actual and management's best estimate of return on the Superannuation Fund amortized over four years. Using this adjustment, fair value remains the underlying basis for asset valuation, but fluctuations are averaged over a four-year period. For years in between valuations, the actuarial asset value adjustment is extrapolated.

3. Investments

The investment objectives of the Plan are to ensure the Plan has sufficient assets to meet future pension obligations and to generate sufficient cash flow to meet pension payments. Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The strategy employed to achieve these objectives is to invest cash flows from contributions, maturing debentures and investment returns into assets such as Canadian and foreign equities, pooled funds, money market securities, bonds, mortgages and real estate.

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities.

The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

b) Credit Risk

Credit risk arises from the potential for issuers of securities to default on their contractual obligations to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or the Standard and Poor's Ratings Service.

Teachers' Superannuation Fund

The Teachers Superannuation and Disability Benefits Act and the Plan's investment policy require that all the Plan's investments comply with the provisions of *The Pension Benefits Act, 1992*. *The Pension Benefits Act, 1992* does not allow any one holding to represent more than 10% of the book value of the Plan's portfolio.

Short-term Investments

These investments are comprised of T- Bills, notes and commercial paper with effective interest rates of 2.38% to 3.08% (2001 - 4.25% to 5.84%) and a weighted average term to maturity of 51 days (2001 - 83 days). Interest is receivable at maturity.

Bonds and Debentures

The Plan's investment policy limits its investment concentration in any one investee or related group to no more than 10% of that corporations book value of outstanding bonds. Bonds must meet a minimum quality standard of BBB rating as measured by a recognized credit rating service or be specifically approved by the Commission.

For the Superannuation Fund, the Plan invests in bonds that are considered to be high quality as described below.

		2002			2001		
	Years to Maturity	Market Value ($000's)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)	Market Value ($000's)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)
Federal Bonds							
Government of Canada	1-5	$ 168,486	4.24	4.72	$ 134,791	5.05	5.23
	6-10	115,180	5.39	5.36	105,965	5.81	6.75
	11-15	–	–	–	26,840	6.05	11.25
	20+	82,499	5.77	5.75	63,036	5.70	6.86
Provincial and Provincially Guaranteed Bonds							
Other Provinces	1-5	51,755	4.45	6.61	49,974	5.73	6.11
	6-10	24,767	5.67	6.06	54,862	6.08	6.93
	11-15	14,925	5.94	6.09	9,197	6.59	7.33
	16-20	11,808	6.00	5.80	11,104	6.58	5.80
	20+	27,363	6.29	6.28	23,370	6.63	6.34
Saskatchewan	1-5	4,640	4.93	4.75	4,256	5.90	6.00
	6-10	9,266	5.31	5.50	8,849	6.15	5.50
	20+	4,988	6.28	6.03	2,716	6.56	5.75
Municipal	1-5	8	8.12	8.13	17	4.83	8.13
Corporate Bonds	1-5	76,585	4.82	6.31	93,270	6.06	6.35
	6-10	66,572	6.02	6.70	75,024	6.75	6.84
	11-15	2,444	7.41	6.75	2,457	7.32	6.75
	20+	6,374	6.83	7.15	6,200	7.26	6.78
Total		$ 667,660			$ 671,928		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities		2002 (market values) ($000's)	2001
Common shares	- Canadian	$ 442,166	$ 531,511
	- Foreign	226,226	318,464
Private Equity		–	45
		$ 668,392	$ 850,020

The Plan's investment policy limits any holding to represent no more than 10% of the outstanding shares of the issuing corporation. Foreign equities and pooled funds are denominated in Canadian dollars and are limited to 30% of the cost of the portfolio. The Superannuation Fund's equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The average effective dividend rate during the year was 2.09% (2001 - 3.17%).

Pooled Funds

The Superannuation Fund holds units in pooled funds which have no fixed interest rate and its returns are based on the success of the manager.

The Teachers' Superannuation Fund unit holdings are:

	Units Held		% of Total Units Outstanding		Market Value		Investment Income and Change in Market Value	
	2002	2001	2002	2001	2002	2001	2002	2001
	(000's)				($000's)		($000's)	
Greystone Emerging Market Fund	--	3,323	--	33.41	$ --	$ 27,375	$ 7,043	$ (3,959)
Greystone Non North American Fund	--	15,365	--	20.68	--	154,512	(6,107)	(38,581)
Greystone EAFE Plus Fund	25,444	--	20.63	--	228,285	--	(22,439)	--
					$ 228,285	$ 181,887	$ (21,503)	$ (42,540)

Mortgages

Investment in mortgages consist of Canadian properties. The net yield at the time of commitment is expected to exceed the yield on "A" rated bonds of similar terms by a minimum of 1.5% after administration fees. Principal and interest are received on a monthly basis.

Real Estate

Investments in real estate consist of Canadian property and are subject to approval by the Commission before each acquisition. Included in real estate are investments in related real estate corporations (see Note 6c).

Voluntary Contributions Fund

Pooled Funds

The Voluntary Contributions Fund holds units in pooled funds which have no fixed interest rate and its returns are based on the success of the manager.

The Voluntary Contributions Fund unit holdings are:

	Units Held		% of Total Units Outstanding		Market Value		Investment Income and Change in Market Value	
	2002	2001	2002	2001	2002	2001	2002	2001
	(000's)				($000's)		($000's)	
Greystone Canadian Fixed Income Fund	159	148	1.09	1.38	$ 1,600	$ 1,454	$ 137	$ 97
Greystone Canadian Equity Fund	55	58	0.41	0.84	1,001	1,031	23	10
Greystone Capital Non North American Fund	--	13	--	0.02	--	132	(5)	(37)
Greystone US Equities Pooled Fund	14	14	0.34	0.32	154	186	(31)	(11)
Greystone Money Market Fund	19	31	0.65	1.65	191	309	9	2
Greystone EAFE Plus Fund	17	--	0.01	--	152	--	(15)	--
					$ 3,098	$ 3,112	$ 118	$ 61

4. Teachers' Superannuation Fund - Determination of Investment Earnings for Administrative Purposes

The Commission determines investment earnings of the Superannuation Fund in order to establish what interest must be credited to teachers, and what interest teachers must pay when purchasing past service. The Commission has determined that only 25% of the current period change in market values of investments (includes both realized and unrealized gains and losses) will be recognized as part of investment earnings. The remaining 75% will be recognized equally over the following three years as part of investment earnings. Interest and dividend income less investment expenses are fully allocated for the current year.

5. Voluntary Contributions Fund - Earnings Allocation to Members

The Commission allocates all realized and unrealized gains/losses at year-end. During the year, the Commission allocated investment earnings of $111,180 to teacher accounts (2001 - $65,226).

6. Related Party Transactions

These financial statements include transactions with related parties. The Plan is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also the Commission is related to non-Crown enterprises that the Government jointly controls or significantly influences.

a) Administration

In accordance with *The Teachers Superannuation and Disability Benefits Act* (Act), all expenses of the administration of the Act are paid out of monies appropriated from the General Revenue Fund to the Department of Learning by the Legislature. Accordingly, no provision for these costs is included in these financial statements.

Expenses related to managing, investing or disposing of assets of the Teachers' Superannuation Fund and the Voluntary Contributions Fund are to be paid out of both Funds. The annual expenses for custodial fees and investment management fees are paid to Royal Trust and Greystone Capital Management Inc. respectively.

	2002			2001		
	Superannuation Fund ($000)	Voluntary Contributions Fund ($000)	Total ($000)	Superannuation Fund ($000)	Voluntary Contributions Fund ($000)	Total ($000)
Custodial fees	$ 125	$ 3	$ 128	$ 341	$ 8	$ 349
Investment fees	2,308	3	2,311	2,042	3	2,045
	$ 2,433	$ 6	$ 2,439	$ 2,383	$ 11	$ 2,394

b) Investment Management Services

Greystone Capital Management Inc. (GCMI) provides investment management services to the Teachers' Superannuation Fund and the Voluntary Contributions Fund on a fee-for-service basis. The Superannuation Fund is a shareholder in GCMI. The Superannuation Fund holds 223,811 common shares (2001 – 223,811 common shares), 14.5% of the total shares outstanding in GCMI (2001 – 14.5%).

c) Investment Holdings

Teachers' Superannuation Fund

Included in the totals for bonds and debentures and income are Province of Saskatchewan holdings of $18,894,235 (2001 - $15,820,532) and income including change in market value totalling $1,686,427 (2001 - $866,165).

Included in the total real estate investment at year end are SaskPen Properties Ltd. holdings totalling $3,910,175 (2001 - $4,219,860). Also a loss of $24,694 (2001 - income of $436,912) on this property is included in change in market value of investments. SaskPen Properties Ltd. is a real estate corporation owned by Government of Saskatchewan managed public sector pension plans.

Other transactions with related parties and the terms of settlement are described separately in the financial statements and the notes thereto.

7. Actuarial Valuation - Pension Benefits

The present value of accrued pension benefits was determined using the projected benefit method prorated on services and the best estimate assumptions of the Teachers' Superannuation Commission. An actuarial valuation of the Teachers' Superannuation Fund was prepared by Aon Consulting Inc. as at June 30, 2001, and an extrapolation was made to June 30, 2002. Previous to this an actuarial valuation was prepared by William M. Mercer Limited as at June 30, 1999 and an extrapolation was made to June 30, 2001.

The pension liability is based on a number of assumptions about future events including interest, rate of salary increase, inflation, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The assumptions used in determining the actuarial value of accrued pension benefits were:

- inflation at 3.0%.
- salary increases at 2.6% for 2002, and 3.5% thereafter.
- interest rate at 7.5%.

Previously the June 30, 1999 valuation used the long-term assumption of inflation 3.25%, salary 3.75% and interest rate 7.25%. The impact of the assumption changes is to decrease the accrued pension benefits by $138,000,000.

The following illustrates the effect of changing certain assumptions from the assumed rates of salary 3.5%, interest 7.5% and inflation 3.0%. For the salary and interest rate categories, the changes in assumption are independent of one another. The inflation category, however, is affected by other assumptions that have an interest component. In the scenario of the 1% reduction in inflation, the assumptions for the interest rate, salary increase, YMPE and Canada Customs and Revenue Agency pension maximum are also reduced by 1%.

	Long-term Assumptions					
			Interest			
Effect on Liability	Salary		Rates		Inflation	
	2.5%	4.5%	6.5%	8.5%	2.0%	4.0%
(Decrease) increase (in $000's)	$(40,020)	$42,965	$415,781	$(340,588)	$84,343	$(80,875)

For the June 30, 2001 valuation extrapolated to June 30, 2002, plan amendments to improve pensions for disabled members caused a $27,000,000 increase in the accrued pension benefits.

Experience losses of $91,000,000 arose from differences between the actual and expected experience of retirement, termination, salary and YMPE, and data changes.

8. Investment Performance

The following is a summary of the Plan's investment performance:

	2002	Rolling Four Year Average Annual Return
Teachers' Superannuation Fund (a)	0.60%	5.60%
Target Rate of Return (b)	(1.53)%	3.63%
Voluntary Contributions Fund (a)	3.90%	5.90%
Target Rate of Return (b)	1.87%	4.51%

(a) The annual returns are before deducting investment expenses.

(b) The Commission's target rate of return for its investment portfolio (return on the benchmark portfolio plus 10%) has been determined, after the fact, using the actual returns of the market indexes outlined above.

9. Due From General Revenue Fund

The Teachers' Superannuation Fund and the Voluntary Contributions Fund bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. Under this arrangement, interest is calculated on the net position of all COBC accounts and is paid by the bank into the General Revenue Fund.

The Funds' share of this interest is allocated and paid by the General Revenue Fund on a quarterly basis into the Funds' bank accounts using the Government's thirty-day borrowing rate. The Government's average thirty-day borrowing rate in 2001-2002 was 2.81% (2000-2001 - 5.39%).

10. Disability Benefits

The annual amount of disability benefits is determined by applying the regular allowance formula and is payable to a teacher who:

a) is disabled because of total physical or mental incapacity for teaching; and
b) has 10 years of service; and
c) has at least three years of service in the five years preceding disablement; and
d) has not attained age 65.

Payments may be discontinued or reduced on recovery or re-employment. The allowance is recalculated at age 65 to include service while on the Saskatchewan Teachers' Federation Income Continuance Plan.

Subsection 38(2) of *The Teachers Superannuation and Disability Benefits Act* states the disability benefits are a charge on and payable out of the General Revenue Fund. The $6,907,194 (2001 - $6,999,584) in disability benefits flowed through the Teachers' Superannuation Fund for administrative purposes only and is not reflected in these financial statements. The Department of Learning provided contributions equal to the disability benefits.

Disability Benefits - Actuarial Valuation

The present value of accrued disability benefits was determined using the projected benefit method prorated on services and the best estimate assumptions approved by the Teachers' Superannuation Commission. An actuarial valuation of the Teachers' Superannuation Fund was prepared by Aon Consulting Inc. as at June 30, 2001, and an extrapolation was made to June 30, 2002. Previous to this an actuarial valuation was prepared by William M. Mercer Limited as at June 30, 1999 and an extrapolation was made to June 30, 2001.

The actuarial present value of benefits as at June 30 and the principle components of change in actuarial present values during the year were as follows:

	2002 ($000's)	2001 ($000's)
Actuarial present value of accrued disability benefits, beginning of year	$ 66,000	$ 70,000
Interest accrued on benefits	6,000	5,000
Benefits accrued	1,000	1,000
Benefits paid	(7,000)	(10,000)
Impact of Plan experience	14,000	--
Impact of assumptions changes	(2,000)	--
Actuarial present value of accrued disability benefits, end of year	78,000	66,000
Net assets available for benefits	--	--
Unfunded liability	$ 78,000	$ 66,000

The disability liability is based on a number of assumptions about future events, including interest, rate of salary increase, inflation, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The assumptions used in determining the actuarial value of accrued disability benefits were the same as for determining the accrued pension benefits (see Note 7).

The following illustrates the effect of changing certain assumptions from the assumed rates of salary 3.5%, interest 7.5% and inflation 3.0%.

	Long-term Assumptions					
			Interest			
Effect on Liability	Salary		Rates		Inflation	
	2.5%	4.5%	6.5%	8.5%	2.0%	4.0%
(Decrease) increase (in $000's)	$ (1,048)	$ 1,102	$ 5,085	$ (4,605)	$ 917	$ (892)

The disability liability is long-term in nature and there is no market for settling these obligations. Therefore, determination of the fair value for the disability liability is not practical.

11. Cash Flow Forecast

The total cash inflow is the amount of contributions and investment income and proceeds from the sale of investments expected to be received by the pension plan. The Department of Learning (Department) contributions include matching contributions and additional amounts contributed pursuant to subsection 9(4) of *The Teachers Superannuation and Disability Benefits Act*. The total cash outflow is the amount required to pay all pension obligations. The forecast of cash inflows and outflows have been determined using the long-term assumptions outlined in Note 7. All amounts shown are based on actual dollar forecasts.

The cash required is the amount by which the cash outflows exceed cash inflows and is forecast to the year 2032:

	Cash Inflows				
Year	Investment Income ($000's)	Teachers Contributions ($000's)	Department Contributions ($000's)	Cash Outflows ($000's)	Cash Required/ (Surplus) ($000's)
2002-2003	$ 138,282	$ 15,957	$ 106,170	$ 230,329	$ (30,080)
2003-2004	139,183	14,904	81,578	241,490	5,825
2004-2005	137,300	13,671	55,402	253,330	46,957
2005-2006	132,978	12,335	46,837	265,153	73,003
2006-2007	127,177	10,950	51,211	276,996	87,658
Total within 5 years	$ 674,920	$ 67,817	$ 341,198	$ 1,267,298	$ 183,363
Total 6 - 10 years	$ 500,839	$ 32,197	$ 310,366	$ 1,542,994	$ 699,592
Total 11 - 30 years	$ 668,255	$ 8,011	$ 4,779,979	$ 6,470,127	$ 1,013,882

12. Fair Value

The following methods and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities.

For the following financial instruments including:

a) Due from General Revenue Fund
b) Accrued investment income
c) Contributions receivable
d) Accounts payable

the cost approximates the fair value due to their immediate or short-term maturity.

The fair values of investments are considered to be market value, the calculation of which is detailed in Note 2.

The pension liability is long-term in nature and there is no market for settling these obligations. Therefore, determination of the fair value for the pension liability is not practical (see Note 7).

13. Comparative Figures

Certain comparative figures have been restated to conform with the current year's presentation.

Schedule 1
Teachers' Superannuation Fund
Schedule of Investments and Accrued Interest, As At June 30, 2002

Investments	2002 Total Market Value ($000)	2002 Accrued Interest ($000)	2001 Total Market Value ($000)	2001 Accrued Interest ($000)
Canada and Canada Guaranteed	$ 366,165	$ 2,940	$ 330,632	$ 4,296
Provincial and Provincially Guaranteed	149,512	1,702	164,328	1,962
Urban Municipalities and Hospitals	8	1	17	1
Corporate Debentures	151,975	2,494	176,951	2,660
Corporate Shares	668,392	979	850,020	998
Pooled Funds	228,285	–	181,887	–
Insured Mortgages - Principal and Real Estate	111,442	16	95,605	17
Short Term	38,501	57	48,145	325
Total	$ 1,714,280	$ 8,189	$ 1,847,585	$ 10,259

Schedule 2
Teachers' Superannuation Fund
Schedule of Investments Acquired, Year Ended June 30, 2002

Investments	Maturity Date	Interest Rate	Market Value
DEBENTURES:			
Government of Canada	Sep. 01, 2002	5.50	$ 12,885,762
Government of Canada	Sep. 01, 2003	5.25	440,335,962
Government of Canada	Sep. 01, 2004	5.00	61,741,924
Government of Canada	Jun. 01, 2004	3.50	115,828,070
Government of Canada	Sep. 01, 2006	5.75	200,711,711
Government of Canada	Sep. 01, 2007	4.50	13,051,673
Government of Canada	Jun. 01, 2008	6.00	98,207,231
Government of Canada	Jun. 01, 2011	6.00	397,917,255
Government of Canada	Jun. 01, 2012	5.25	200,169,405
Government of Canada	Jun. 01, 2029	5.75	215,786,759
Government of Canada	Jun. 01, 2033	5.75	178,054,900
Alliance Pipeline	Jun. 30, 2023	7.18	1,179,405
Associates Capital	Aug. 17, 2006	5.75	7,238,730
BNS Capital Trust	Dec. 31, 2010	7.31	925,008
Borealis Enersource	May 03, 2011	6.27	897,484
Canada Life	Jun. 30, 2012	6.68	1,747,000
CMHC	Dec. 03, 2007	5.30	7,102,822
Enbridge Inc.	Apr. 12, 2006	5.45	2,934,202
Ford Credit Canada Ltd.	Mar. 08, 2004	6.00	5,428,971

Schedule 2 continued

Investments	Maturity Date	Interest Rate	Market Value
Genesis Trust	Feb. 15, 2005	6.87	5,079,782
Glouster Credit Card	Mar. 15, 2006	5.69	2,024,357
Glouster Credit Card	Jun. 15, 2007	5.59	3,310,000
Greater Toronto Airports	Jun. 04, 2031	7.10	2,229,920
Greater Toronto Airports	Jan. 30, 2012	6.25	3,269,299
Hollis Rec. Trust	Sep. 21, 2004	6.21	2,567,913
Loblaw Cos Ltd.	Jan. 19, 2011	6.50	1,781,331
Manulife Financial Capital Trust	Jun. 30, 2012	6.70	5,242,270
Merrill Lynch Cda. Finance Co.	Apr. 15, 2011	6.79	1,845,042
Merrill Lynch Cda. Finance Co.	Jan. 12, 2011	5.66	3,326,455
Ontrea Inc.	Oct. 31, 2011	5.70	8,398,666
Province of Manitoba	Jan. 25, 2011	5.85	1,948,730
Province of Ontario	Jun. 02, 2004	4.88	9,918,022
Province of Ontario	Mar. 08, 2005	6.25	16,333,658
Province of Ontario	Jan. 24, 2005	2.04	6,208,385
Province of Ontario	Jan. 19, 2006	7.50	3,797,298
Province of Ontario	Dec. 01, 2008	5.70	10,177,404
Province of Ontario	Mar. 08, 2029	6.50	16,043,961
Province of Quebec	Oct. 01, 2012	6.00	9,665,439
Province of Saskatchewan	Dec. 01, 2006	4.75	4,652,579
Province of Saskatchewan	Sep. 05, 2031	6.40	2,195,356
Scotiabank Capital Trust	Jun. 30, 2049	6.63	2,956,000
Sun Life Assurance	Jun. 30, 2012	6.15	4,585,467
Swift Trust	Dec. 07, 2008	7.40	5,011,000
Toronto Dominion Capital Trust	Dec. 31, 2009	7.60	1,940,649
Wells Fargo Finacial CDA	Jun. 15, 2007	5.50	2,479,483
SHARES:			
AGF Management Ltd.		-	3,671,888
Alcoa Inc.		-	306,981
Alliant Technology Systems		-	4,496,212
American International Group Inc.		-	1,050,509
Amgen Inc.		-	2,855,010
Anheuser Busch Companies		-	426,056
ATI Technologies Inc.		-	7,073,354
Bank of America Corporation		-	1,765,835
Bank of Montreal		-	3,618,819
Bank of Nova Scotia		-	2,623,515
Barrick Gold Corp.		-	2,523,093
Bombardier Inc.		-	1,660,783
Brinker International Inc.		-	1,427,642
CAE Inc.		-	1,837,128
Calpine Corp.		-	261,282
Cameco Corp.		-	1,952,213
Canadian National Railways		-	671,000
Canadian Natural Resources		-	873,450
Capital One Financial		-	620,810
Cardinal Health Inc.		-	1,018,164
Carnival Corp.		-	906,530
Celestica Inc.		-	4,615,462
CGI Group Onc.		-	6,328,629
Chevron Corp.		-	595,805
Church & Dwight Co. Inc.		-	362,768

Schedule 2 continued

Investments	Maturity Date	Interest Rate	Market Value
Citigroup Inc.		-	2,058,426
Computer Association Int. Inc.		-	531,278
Conoco Inc.		-	794,104
Domtar Inc.		-	986,869
Duke Energy Corp.		-	1,671,866
El Paso Corporation		-	638,747
EMC Corporation		-	102,720
Exxon Mobil Corp.		-	937,406
Federal National Mortgage Association		-	2,067,185
Fedex Corporation		-	6,244,621
Finning International		-	9,711,240
General Electric Co.		-	239,947
Greystone EAFE Plus Fund		-	253,623,841
Greystone Emerging Markets		-	1,226,709
Greystone Non-North American		-	2,941,618
Home Depot Inc.		-	1,855,666
Intel Corp		-	3,308,301
Ipsco Inc.		-	1,383,988
KB Home		-	3,029,192
Laboratory Corporation America		-	7,131,051
Lennar Corporation		-	3,421,190
Loblaw Cos Ltd.		-	2,563,918
Magna International Inc.		-	4,050,435
Manulife Financial Corporation		-	17,984,476
Marriott International Inc.		-	846,222
Methanex Corporation		-	1,578,155
Microsoft Corporation		-	2,998,706
Mohawk Industries Inc.		-	5,035,517
Molson Inc.		-	8,797,177
Nortel Networks Corporation		-	270,250
Open Text Corporation		-	8,483,689
Oracle Corporation		-	2,004,824
Pactiv Corporation		-	4,890,160
Penn West Pete Ltd.		-	306,986
Petro-Canada		-	1,164,130
Pfizer Inc.		-	2,060,747
Power Corp of Canada		-	2,185,949
Power Financial Corp.		-	2,835,592
Praxair Inc.		-	1,088,941
Premdor Inc.		-	6,640,947
Proctor & Gamble Co.		-	6,994,563
Quebecor World Inc.		-	905,925
Royal Bank of Canada		-	2,012,309
Royal Group Technologies		-	6,722,974
Safeway Inc.		-	1,478,145
SBC Communications		-	2,093,811
Schering Plough Corp.		-	689,966
Sears Canada Inc.		-	479,380
Shoppers Drug Mart		-	9,070,885
Smithfield Foods Inc.		-	3,519,272
Smucker J M Co.		-	54,657
SNC-Lavalin Group		-	6,154,102
Symantec Corporation		-	6,666,662
Talbots Inc.		-	761,015

Schedule 2 continued

Investments	Maturity Date	Interest Rate	Market Value
Talisman Energy Inc.		-	553,875
Teck Cominco Ltd.		-	6,007,073
Teknion Corporation		-	148,438
Tenet Health Care		-	2,696,448
Texas Instruments Inc.		-	468,925
TJX Companies Inc.		-	693,049
Toronto Dominion Bank		-	4,715,260
Transalta Corporation		-	703,145
Transcanada Pipelines		-	13,327,958
Tyco International Ltd.		-	1,775,288
Washington Mutual Inc.		-	3,426,861
Waters Corporation		-	2,174,980
WorldCom Inc.		-	1,521,843
Yahoo Inc.		-	44,945
MORTGAGES AND REAL ESTATE:			
Airways III		-	95,133
Bramalea City Centre		-	5,366,305
Dalhousie Station		-	38,547
Eskimo Equities Inc.		-	91,836
Portland Street		-	1,897,609
Rodick Equities Inc.		-	13,690
Rutherford Properties Ltd.		-	2,149,455
Seven Oaks		-	6,168,030
SHORT TERM:		-	1,293,790,986
MARKET VALUE AT TIME OF ACQUISITION			$ 3,927,841,809

Schedule 3
Teachers' Superannuation Fund
Schedule of Investments Disposed, Year Ended June 30, 2002

Investments	Maturity Date	Interest Rate	Market Value
DEBENTURES:			
Government of Canada	Sep. 01, 2002	5.50	$ 73,547,001
Government of Canada	Sep. 01, 2003	5.25	442,042,861
Government of Canada	Jun. 01, 2004	5.00	55,651,717
Government of Canada	Sep. 01, 2004	5.00	83,456,597
Government of Canada	Sep. 01, 2006	5.75	198,249,171
Government of Canada	Sep. 01, 2007	4.50	12,905,146
Government of Canada	Jun. 01, 2008	6.00	82,254,508
Government of Canada	Oct. 01, 2009	10.75	19,944,331
Government of Canada	Jun. 01, 2011	6.00	424,094,298
Government of Canada	Jun. 01, 2012	5.25	109,081,758
Government of Canada	Jun. 01, 2015	11.25	27,543,163
Government of Canada	Jun. 01, 2025	9.00	27,249,168
Government of Canada	Jun. 01, 2029	5.75	245,565,044
Government of Canada	Dec. 01, 2031	4.00	9,643,657

Schedule 3 continued

Investments	Maturity Date	Interest Rate	Market Value
Government of Canada	Jun. 01, 2033	5.75	93,839,549
Alliance Pipeline	Jun. 30, 2023	7.18	82,530
Associates Capital	Jun. 02, 2003	5.55	7,136,249
BNS Capital Trust	Dec. 31, 2010	7.31	2,761,297
Canada Life	Jun. 30, 2012	6.68	1,742,458
Canada Trust Mortgage	Sep. 13, 2004	6.00	601,045
Canadian Pacific Ltd.	Jun. 01, 2005	6.65	3,216,155
Canadian Tire	Jun. 09, 2008	5.70	1,669,688
Citibank Canada	Jul. 28, 2003	6.40	5,455,518
Daimlerchrysler Canada	Jun. 21, 2004	6.60	5,287,869
Enbridge Inc.	Apr. 12, 2006	5.45	2,723,237
Export Development Corporation	Jun. 22, 2010	6.20	7,412,707
Ford Credit Canada	Mar. 08, 2004	6.00	5,564,223
Ford Credit Canada	Jun. 20, 2005	6.65	3,588,068
Ford Credit Canada	Apr. 23, 2023	5.64	6,260,253
407 ETR International Inc.	Aug. 15, 2007	9.00	1,116,200
Genesis Trust	Nov. 15, 2003	6.43	5,725,003
General Motors Acceptance Corp of Cda	Mar. 28, 2005	5.85	900,450
Golden Credit Card	Jul. 15, 2004	5.38	2,757,667
Greater Toronto Airport	Dec. 03, 2007	5.95	2,938,898
Greater Toronto Airport	Jul. 19, 2010	6.70	3,051,597
Greater Toronto Airport	Jul. 30, 2029	6.45	3,532,522
Greystone Capital	Oct. 24, 2007	7.00	200,000
Lanigan Union Hospital	Jul. 01, 2002	8.13	7,688
Loblaw Companies Ltd.	Jan. 19, 2011	6.50	1,789,759
Manulife	Jun. 30, 2012	6.70	1,693,130
Merrill Lynch MTG	Feb. 15, 2012	5.71	1,740,993
Merrill Lynch MTG	Nov. 12, 2020	6.70	44,450
Nova Chemicals Corp.	Aug. 30, 2010	7.85	3,107,173
Nova Gas	Jan. 31, 2008	6.00	1,542,135
Province of British Columbia	Jun. 09, 2008	6.00	3,950,700
Province of British Columbia	Aug. 23, 2010	6.38	4,825,421
Province of British Columbia	Aug. 23, 2013	8.50	4,542,242
Province of British Columbia	Jun. 18, 2031	6.35	2,794,919
Province of Manitoba	Jun. 02, 2008	5.75	1,983,708
Province of Ontario	Jun. 02, 2004	4.88	31,451,719
Province of Ontario	Mar. 08, 2005	6.25	12,080,287
Province of Ontario	Jul. 24, 2006	7.75	13,663,073
Province of Ontario	Dec. 01, 2008	5.70	10,036,128
Province of Ontario	Jun. 02, 2027	7.60	2,299,911
Province of Ontario	Mar. 08, 2029	6.50	7,832,243
Province of Quebec	Dec. 01, 2005	6.50	3,770,167
Province of Quebec	Oct. 01, 2007	6.50	6,159,820
Province of Saskatchewan	Jun. 01, 2006	6.00	4,472,361
Royal Bank of Canada	Jan. 25, 2010	7.10	4,297,385
Royal Bank Mortgage	Jan. 01, 2003	5.13	4,176,193
Shaw Communications	Oct. 17, 2007	7.40	4,194,299
Sun Life Assurance	Jun. 30, 2012	6.15	885,989
TD Capital Trust	Dec. 31, 2009	7.60	2,386,40
Telus Corporation	Jun. 01, 2006	7.50	8,376,083
Transalta Corporation	Jan. 16, 2006	6.05	1,918,420

Schedule 3 continued

Investments	Maturity Date	Interest Rate	Market Value
SHARES:			
Abitibi Consolidated Inc.		-	10,191,142
AGF Management Ltd.		-	922,837
Alberta Energy Co.		-	11,110,919
Alcoa Inc.		-	5,137,365
Alliant Techsystems		-	813,842
American International Group Inc.		-	4,561,958
Amgen Inc.		-	759,778
Anadarko Pete		-	4,995,024
Anderson Exploration		-	9,461,392
Anheuser Busch Co.		-	2,659,398
Bank of America Corporation		-	2,370,280
Bank of Montreal		-	9,542,502
Bank of Nova Scotia		-	11,868,832
Barrick Gold Corp.		-	1,370,473
BJ Services Company		-	1,699,612
Bombardier Inc.		-	6,404,402
Brinker International Inc.		-	3,393,110
CAE Inc.		-	6,251,621
Calpine Corporation		-	1,552,110
Cameco Corporation		-	8,024,531
Canadian National Railway		-	10,651,522
Canadian Natural Resources		-	4,506,426
Capital One Financial Co.		-	5,856,662
Cardinal Health Inc.		-	1,762,528
Carnival Corp.		-	1,316,792
Celestica		-	13,447,390
CGI Group Inc.		-	401,563
ChevronTexaco Corporation		-	6,407,913
Church & Dwight Inc.		-	1,349,303
Citigroup Inc.		-	1,721,330
C-Mac Industries Inc.		-	10,770,574
Cominco Ltd.		-	4,993,472
Computer Association International		-	762,545
Conoco Inc.		-	5,215,818
Corning Incorporated		-	1,223,611
Domtar Inc.		-	1,260,996
Duke Energy Corporation		-	2,567,431
EL Paso Energy Corporation		-	5,377,818
EMC Corporation Mass.		-	2,149,689
Enerflex Systems		-	4,323,539
Exxon Mobil Corp.		-	5,965,782
Federal National Mortgage Association		-	2,254,022
Finning International		-	659,271
First West Equities Inc.		-	37,000
General Electric Co.		-	2,783,924
Greystone EAFE Plus Fund		-	2,900,000
Greystone Emerging Markets Fund		-	34,418,176
Greystone Non-North American		-	148,405,665
GSI Lumonics		-	3,333,813
Home Depot Incoprporated		-	805,209
Intel Corporation		-	672,989
Intertape Polymer		-	4,411,149
Ipsco Inc.		-	5,092,386

Schedule 3 continued

Investments	Maturity Date	Interest Rate	Market Value
KB Home		-	559,169
Laboratory Coporation of America		-	159,183
Lear Corporation		-	3,704,573
Lennar Corporation		-	478,342
Loblaw Companies Ltd.		-	1,495,925
Lucent Technologies		-	1,828,258
Magna International Inc.		-	7,753,736
Manulife Financial Corporation		-	1,485,390
Marriott International Inc.		-	2,719,080
Masonite International		-	3,220,414
Methanex Corporation		-	9,404,530
Micrologix Biotech		-	198,218
Microsoft Corp.		-	1,908,851
Miller Herman Inc.		-	2,541,763
New York Times Co.		-	4,340,658
Nortel Networks Corp.		-	4,894,715
North West Companies		-	4,151,579
Open Text Corporation		-	753,109
Oracle Corporation		-	2,573,775
Penn West Pete Ltd.		-	9,358,269
Petro Canada		-	11,686,959
Pfizer Incorporated		-	1,193,223
Power Corporation		-	1,785,642
Power Financial Corp.		-	3,884,087
Procter & Gamble Co.		-	843,892
Quanta Services Incorporated		-	2,052,610
Quebecor World Inc.		-	9,301,077
RadioShack Corporation		-	4,233,531
Royal Bank of Canada		-	10,251,688
Safeway Inc.		-	1,310,891
SBC Communications		-	1,782,641
Schering Plough Corp.		-	4,605,181
Sears Canada Inc.		-	8,330,726
Smithfield Foods Inc.		-	3,185,139
Sun Microsystem Inc.		-	2,724,950
Symantec Corporation		-	796,614
Talbots Incorporation		-	2,416,062
Talisman Energy Inc.		-	4,363,111
Teck Cominco Ltd.		-	5,504,155
Teknion Corporation		-	311,040
Tenet Healthcare		-	2,672,418
Treadyne Incorporated		-	2,022,361
Texas Instruments Incorporated		-	1,655,499
TJX Companies Inc.		-	3,472,472
Toronto Dominion Bank		-	12,495,614
Transalta Corporation		-	552,483
Transcanada Pipelines		-	1,102,108
Tyco International Ltd.		-	3,912,384
Viacom Inc.		-	3,446,049
Washington Mutual Incorporated		-	744,691
Waters Corporation		-	570,156
Worldcom Inc.		-	627,266
Yahoo Incorporated		-	336,105

Schedule 3 continued

Investments	Maturity Date	Interest Rate	Market Value
MORTGAGES AND REAL ESTATE:			
Desrochers Development Corporation		-	60,243
Glendale Lodge Society		-	148,742
Portland Street		-	83,474
Toronto Industrial Series Reisman		-	250,277
Westhills Equities Inc.		-	58,059
Miscellaneous		-	4,473
SHORT-TERM:		-	1,303,287,992
MARKET VALUE AT TIME OF DISPOSITION			$ 4,007,307,463

Schedule 4
Teachers' Voluntary Contributions Fund
Schedule of Investments and Accrued Interest, As At June 30, 2002

	2002		2001	
Investments	Total Market Value ($000)	Accrued Interest ($000)	Total Market Value ($000)	Accrued Interest ($000)
Pooled Funds	$ 2,907	$ –	$ 2,802	$ –
Short-Term	191	–	309	1
TOTAL	$ 3,098	$ –	$ 3,111	$ 1

Schedule 5
Teachers' Voluntary Contributions Fund
Schedule of Investments Acquired, Year Ended June 30, 2002

Investments	Maturity Date	Interest Rate	Market Value
POOLED FUNDS:			
Greystone Canadian Equity Fund		-	$ 98,160
Greystone EAFE Plus Fund		-	167,143
Greystone US Equity Fund		-	11,438
Greystone Non North American Fund		-	2,564
Greystone Fixed Income Fund		-	245,870
SHORT-TERM:		-	254,015
MARKET VALUE AT TIME OF ACQUISITION			$ 779,190

Schedule 6
Teachers' Voluntary Contributions Fund
Schedule of Investments Disposed, Year Ended June 30, 2002

Investments	Maturity Date	Interest Rate	Market Value
POOLED FUNDS:			
Greystone Canadian Equity Fund		-	$ 143,000
Greystone US Equity Fund		-	10,200
Greystone Non North American Fund		-	126,943
Greystone Fixed Income Fund		-	144,000
SHORT-TERM:			
		-	371,585
MARKET VALUE AT TIME OF DISPOSITION			$ 795,728